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(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00980)

ANNOUNCEMENT TERMINATION OF THE EQUITY ENTRUSTMENT AGREEMENT BY THE SHAREHOLDERS

This is a voluntary announcement made by Lianhua Supermarket Holdings Co., Ltd. (the “**Company**”).

Reference is made to the Company’s announcement dated 20 April 2015 in relation to an equity entrustment agreement (the “**Equity Entrustment Agreement**”) entered into between Bailian Group Co., Ltd (百聯集團有限公司) (“**Bailian Group**”) and Shanghai Bailian Group Co., Limited (上海百聯集團股份有限公司) (“**Shanghai Bailian**”) on 17 April 2015, pursuant to which, Shanghai Bailian was entrusted to exercise the shareholder’s rights (other than share income right and right to dispose of) associated with certain domestic shares of the Company (the “**Domestic Shares**”) held by Bailian Group and any new shares of the Company placed to Bailian Group during the term of the entrustment, and to manage such entrusted Domestic Shares together with the statutory fruits (other than the cash portion) in respect thereof upon occurrence of any ex-right events including, among other things, bonus issue and capitalisation issue during the term of the Equity Entrustment Agreement. A fixed annual fee of RMB300,000 is payable by Bailian Group to Shanghai Bailian according to the terms of the Equity Entrustment Agreement.

As at the date of this announcement, Bailian Group directly holds 649,661,400 Domestic Shares of the Company, representing approximately 43.91% of the Company's total issued shares, of which 614,160,000 Domestic Shares have been entrusted to Shanghai Bailian for management pursuant to the Equity Entrustment Agreement; Shanghai Bailian directly holds 224,208,000 Domestic Shares of the Company, representing approximately 15.15% of the Company's total issued shares. As at the date of this announcement, Bailian Group directly and indirectly holds approximately 50.51% of the shares of Shanghai Bailian and is the controlling shareholder of Shanghai Bailian.

The board of directors of the Company has been informed that Bailian Group and Shanghai Bailian intend to terminate the Equity Entrustment Agreement (the "**Termination of Equity Entrustment**"). The purpose of the Termination of Equity Entrustment is to enable Shanghai Bailian and the Company to pool their respective resources, focus on the transformation and upgrading of their respective core businesses, and further achieve high-quality development. Upon completion of the Termination of Equity Entrustment, the shareholder's rights associated with the 614,160,000 Domestic Shares previously entrusted to Shanghai Bailian for management will revert to be exercised by Bailian Group. Following the Termination of Equity Entrustment, Shanghai Bailian will no longer include the Company in its consolidated financial statements.

Bailian Group has applied for, and the Securities and Futures Commission has granted a waiver pursuant to Note 6(a) to Rule 26.1 of the Code on Takeovers and Mergers (the "**Takeovers Code**") from the obligation of Bailian Group to make a general offer for the shares of the Company arising as a result of the Termination of Equity Entrustment. Accordingly, the Termination of Equity Entrustment by Bailian Group and Shanghai Bailian will not give rise to any obligation on the Bailian Group and parties acting in concert with it to make a general offer for shares of the Company under the Takeovers Code.

The directors of the Company noted that the Termination of Equity Entrustment is still in the process of planning and Bailian Group and Shanghai Bailian have not yet entered into any agreement. The plan for the Termination of Equity Entrustment is still subject to further deliberation, communication and consultation, and the necessary decision-making and approval procedures shall be conducted in accordance with relevant laws, regulations, and the provisions of the articles of association of Bailian Group and Shanghai Bailian. The Company will make further announcement(s) on the Termination of Equity Entrustment as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shareholders of the Company and the public are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board
Lianhua Supermarket Holdings Co., Ltd.
Pu Shao-hua
Chairman

Shanghai, the People's Republic of China, 13 May 2026

As at the date of this announcement, the directors of the Company are:

Executive directors: Wang Xiao-yan and Zhang Hui-qin;

Non-executive directors: Pu Shao-hua, Shen Chen, Cao Hai-lun and Yang Qin;

Independent non-executive directors: Xia Da-wei, Lee Kwok Ming, Don, Chen Wei and Zhao Xin-sheng.